

House Energy & Technology Committee Testimony
Kevin DeLine, Dow Chemical
May 9, 2007

Chairman Accavitti and members of the Committee, good morning and thank you for the opportunity to be here today. My name is Kevin DeLine and I am the Site Logistics Leader and New Investment Sponsor of Michigan Operations for The Dow Chemical Company.

I am here today on behalf of The Dow Chemical Company to advocate for energy efficiency initiatives for the state of Michigan and specifically to ask your support for House Bill 4583, which would initiate the development of an energy efficiency program for our state.

Dow is committed to the State of Michigan for the long term. Dow has a proud 110 year history in Michigan and recently we've become the single largest Michigan company in terms of market capitalization. The mission of The Dow Chemical Company is to constantly improve what is essential to human progress by mastering science and technology, and it's an ambitious promise.

Given our commitment to constant improvement, we are no stranger to energy efficiency. In the past decade from 1995 to 2005, Dow achieved a reduction in energy intensity of 22% at our facilities in Michigan and around the world. This resulted in an energy savings of 900 trillion BTUs, which is enough energy to power eight million U.S. homes for a year. In fact, if the United States were to accomplish a similar percentage reduction in energy intensity, our country would no longer rely on oil imports from the Middle East. Dow also reduced its absolute greenhouse gas emissions since 1990 to a level that exceeds the Kyoto protocol targets. Emissions of Kyoto greenhouse gases were reduced by over 20% during this time period. And we did all of this while achieving significant gains in productivity and output.

Andrew Liveris, President, Chairman & CEO of The Dow Chemical Company, says quote "Sustainability begins at home, but its destiny is to engage the problems of the world. We will build on our company's rich legacy of leadership in solving the world's most pressing problems with a spirit of fearless accountability, not just for our own footprint on the planet, but the collective footprint we make as part of the human family." End-quote.

Mr. Liveris is leading The Dow Chemical Company to accomplish very aggressive sustainability, energy and climate change goals that will require breakthrough innovations in technology that he expects us to contribute toward. Energy efficiency remains an important element of these commitments, which are known as the Dow 2015 Sustainability Goals.

Here are some of those goals:

- Dow will reduce its energy intensity by an additional 25% from 2005 to 2015. Having achieved a 22% reduction in the prior decade makes this goal very challenging.

- We will reduce greenhouse gas emissions by 2.5% per year per pound of product produced.
- We will invest a significant portion of our research and development to support and develop alternative energy and less carbon-intensive raw material sources, especially in the area of photovoltaics or solar energy technologies where Dow is a recognized materials leader.
- In the arena of photovoltaics, we will use our knowledge of materials and processing to develop building-integrated photovoltaic systems with a manufacturing capability of 100 megawatts by 2015.
- Lastly, Dow will lay out a program for other alternative and renewable energy technologies in the next two years.

To further demonstrate the depth of our commitment, we have already established goals for the year 2025.

First, Dow will stop the growth of absolute emissions of greenhouse gases within the company. Our absolute emissions will remain below the 1990 baseline and we will begin a journey of year-over-year reduction in greenhouse gas emissions.

Secondly, Dow is committing to manufacture and supply a minimum of one gigawatt of building-integrated photovoltaic systems.

While technology gains will be required and expected of us, we acknowledge and encourage the application of energy efficiency efforts that can be implemented across our state today to have a significant impact on conservation, the environment and the ultimate cost of energy. One such example is the current Michigan Energy Code, which is ranked in the bottom 25% of all states with respect to the energy efficiency it requires of new buildings and homes being constructed in Michigan.

In closing, though we strongly encourage and are actively pursuing innovative development in the area of renewable energy technologies, we realize the acute opportunity for the positive impacts from energy efficiency and recommend to this Committee and the Michigan Legislature that you seriously consider immediate measures and legislation to encourage incentives that will drive energy efficiency programs in all sectors of our society.

Our company is already aggressively acting in this direction and we welcome additional leadership on this very important initiative.

Thank you again for your time, your attention and your consideration.

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